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AM GROUP HOLDINGS LIMITED

秀商時代控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1849)

ANNOUNCEMENT:

(1) SUPPLEMENTAL INFORMATION ON THE LITIGATION INVOLVED AND THE PROPOSED REMOVAL OF A DIRECTOR; AND (2) FORMATION OF INVESTIGATION COMMITTEE

Reference is made to the announcement of the Company dated 12 March 2025, and the circular of the Company dated 13 March 2025.

Unless otherwise specified, terms used in this announcement shall have the meanings as defined in the announcement of the Company dated 12 March 2025 and the circular of the Company dated 13 March 2025.

SUPPLEMENTAL INFORMATION ON THE LITIGATION INVOLVED AND THE PROPOSED REMOVAL OF A DIRECTOR

The Company would like to provide the following supplemental and update information to its Shareholders and potential investors.

As disclosed in the announcements of the Company dated 17 January 2025 and 12 March 2025, Show Times CQ Technology was involved in a legal proceeding taken out by a plaintiff unrelated to the Group (the “**Plaintiff**”) (HCA 589/2024) (the “**2024 Legal Action**”). By the end of January 2025, the Board was notified by the Non-cooperating Director and the Subject Director, being Mr. Mu Lei (“**Mr. Mu**”), that Show Times CQ Technology had taken another legal proceeding against the Plaintiff and Activa Media Investment Limited (“**Activa**”), being a controlling shareholder of the Company (HCA 106/2025) (the “**2025 Legal Action**”).

In order to allow the Shareholders to make an informed decision when voting at the forthcoming EGM which relates to the Proposed Removal, the Company, considering that it is not directly involved in the 2024 Legal Action or 2025 Legal Action, hereby provide further details of the 2024 Legal Action and the 2025 Legal Action based on the documents provided by Mr. Mu previously, in this announcement for the Shareholders’ consideration.

In the 2024 Legal Action, the Plaintiff alleged that Show Times CQ Technology had entered into a cooperation agreement dated 23 March 2020, under which Show Times CQ Technology agreed to pay HK\$240,000,000 to acquire 600,000,000 shares of an unnamed company, which represent 75% of such company's issued shares. At Show Times CQ Technology's request, it was also alleged that the Plaintiff advanced HK\$700,000 for professional fees on 22 May 2020. It was alleged that Show Times CQ Technology only partially paid the total consideration of HK\$213,200,000, payable under the cooperation agreement, and still owing HK\$26,800,000 as of 31 October 2022. Further, it was alleged that Show Times CQ Technology had breached the cooperation agreement by failing to transfer to the Plaintiff 120,000,000 shares of the said unnamed target company, the valuation of such 120,000,000 shares being HK\$81,600,000. The Plaintiff sought the following relief against Show Times CQ Technology: (a) repayment of HK\$700,000; (b) either specific performance of the cooperation agreement or repayment of the outstanding HK\$26,800,000; (c) compensation of HK\$81,600,000 for the shares not transferred; (d) additional losses suffered; (e) interest; and (f) legal costs and other relief deemed appropriate by the Court.

As at the date of this announcement, the Board (other than Mr. Mu) does not know about the current status of the 2024 Legal Action, including, without limitation, whether Show Times CQ Technology has filed any defence and/or make any counterclaim.

In the 2025 Legal Action, Show Times CQ Technology alleged that in early 2020, Show Times CQ Technology intended to purchase a 75% stake in the Company, and the Plaintiff was authorized to act on behalf of Activa, the actual owner of such shares. It was further alleged, on 23 March 2020, the Plaintiff and Show Times CQ Technology executed a cooperation agreement to acquire 600,000,000 shares of the Company at the consideration of HK\$240,000,000 payable in stages. It was alleged that Show Times CQ Technology transferred HK\$216,087,136 to the Plaintiff, and the payments were supposed to correspond to a gradual transfer of the shares of the Company, and despite such payment, the Plaintiff only delivered 173,645,000 shares of the Company. By mid-2021, it was alleged that Show Times CQ Technology noticed that shares had not been delivered and halted further payments, and despite the Plaintiff had made multiple promises to deliver the shares or refund payments, Show Times CQ Technology had not got such shares nor repayment. By July 2023, the Plaintiff had become uncontactable and Show Times CQ Technology was unable to recover the sum paid. In the 2025 Legal Action, Show Times CQ Technology alleged that the Plaintiff had breached the contract for failing to deliver the agreed shares of the Company, and Activa, being the actual owner of the shares, was alleged to have authorized the Plaintiff to act as its agent and shall thus be held responsible for the act of the Plaintiff. Show Times CQ Technology sought the following relief in the 2025 Legal Action: (a) full refund of HK\$216,087,136; (b) compensation for losses; and (c) legal costs and accrued interest.

The Board (other than the Subject Director) considered and wished to reiterate that the 2025 Legal Action was taken out by Show Times CQ Technology, being a subsidiary of the Company established in the PRC, without obtaining the prior written approval or

consent by the Company as the parent company. The Company is not in a position to confirm the accuracy of the allegations by the respective plaintiffs in the 2024 Legal Action nor the 2025 Legal Action, including but not limited to whether the accuracy on the terms or existence of the cooperation agreement, and in particular, the Company would like to reiterate that it is not a party to such alleged cooperation agreement.

At no time was the Company aware of any side dealings at the time of the acquisition of Majestic State or the previous disposal or placement of the shares of the Company by Activa which otherwise may trigger a reverse takeover rule under Rule 14.06B of the Listing Rules and/or the connected transaction rules under Chapter 14A of the Listing Rules.

As of the date of this announcement, to the best of the information, knowledge and belief of the Directors (except the Subject Director), Activa is still in the progress of obtaining legal advice, and has reserved all its legal rights and would defend vigorously should the legal proceeding be proceeded further.

FORMATION OF INVESTIGATION COMMITTEE

The Board hereby announces that an investigation committee comprising all the independent non-executive Directors have been set up on 19 March 2025, which will appoint an appropriate independent forensic investigator to conduct investigation into the arrangements relating to the Alleged Cooperation Agreement, the acquisition of the Target Company, i.e. Majestic State International Limited, in 2020, Activa's place down of an aggregate of 24% shares to certain independent places as disclosed in the Company's announcements dated 16, 24 and 30 July 2024, and the 2024 Legal Action and the 2025 Legal Action, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 24 September 2024 and will remain suspended pending fulfilment of all the conditions stated in the Resumption Guidance.

Shareholders of the Company and potential investors should exercise caution when dealing in the Company's shares.

For and on behalf of
AM Group Holdings Limited
Teo Li Lian

Co-Chairlady, Executive Director and Chief Executive Officer

Hong Kong, 19 March 2025

As at the date of this announcement, the Board comprises three Executive Directors, namely Ms. Teo Li Lian (Co-Chairlady and Chief Executive Officer), Mr. Teo Kuo Liang and Mr. Mu Lei (Co-Chairman); and three Independent Non-executive Directors, namely Mr. Tan Kia Jing, Mr. Lee Shy Tsong and Mr. Koh Boon Chiao.